Statement

Comparative list of prices of medicine

Sr. No.	Name of Medicine	Pack	Average market price	Jan Aushadhi price
1.	TAB. CIPROFLOXACIN 250mg	10	55.00	10.40
2.	TAB. CIPROFLOXACIN 500mg	10	97.00	20.10
3.	TAB. DICLOFENAC 100mg SUSTAINED RELEASE	10	36.70	3.10
4.	TAB. CETIRAZINE 10mg	10	27.00	2.50
5.	TAB. PARACETAMOL 500mg	10	11.00	2.30
6.	TAB. NUMESUILIDE 100mg	10	32.00	2.50
7.	CAP. CEPHALIXIN 500mg	10	155.00	29.40

Drug prices

1274.SHRI V. HANUMANTHA RAO : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether drug price regulator National Pharmaceuticals Pricing Authority recently said that it presumed the prevailing prices of medicines in the country are unreasonable, in a note distributed at a seminar last year;

(b) if so, the steps Government is considering to take to reduce drug prices so that these drugs are available at cheaper rates to people for healthcare;

(c) whether drug price regulator took decision to immediately pass on benefit of excise duty cuts announced in budget to customers; and

(d) if so, to what extent drug industry has been able to pass on the benefits?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) In the last seminar organized by NPPA, a number of issues were discussed including the prevailing pharma regulatory practices in the world. In general, NPPA brought to the notice of the participants of the seminar that on the basis of a study by National Commission on Macro Economy and Health that drug retail margins were very high in the pharmaceutical market.

(b) In order to reduce the drug prices so that these drugs are available at cheaper rates to people for healthcare, Government has revised the allowable price increase limit in case of non scheduled formulations from earlier 20% increase per annum to 10% increase per annum *w.e.f.* 1.4.2007. In addition the Govt. has delegated its power under paragraph 10 of DPCO, 1995 to National Pharmaceuticals Pricing Authority (NPPA) on 15.01.07 in pursuance of paragraph 26 of DPCO, 1995. Accordingly, the NPPA can cause enquiry, call for information and fix retails price of a

non-scheduled formulation if it considers necessary so to do in public interest. As a result NPPA has fixed price in case of 27 non-scheduled formulation packs under para 10(b) and companies have reduced price voluntarily in case of 60 formulation packs. Thus, in all, prices of 87 packs of control free drugs have got reduced as the result of the intervention of NPPA.

The NPPA has also stepped up enforcement activities and created separate enforcement division to check whether the drugs are being sold by the companies on the prices fixed by the NPPA.

(c) and (d) Consequent upon the reduction in the rate of Excise Duty on medicines from 16% to 8% notified by the Ministry of Finance, Department of Revenue *vide* notification no. 4/2008-Central Excise dated 01.03.08 and the rate of abatement from 42.5% to 35.5% *vide* notification no. 14/2008-Central Excise (N.T.) dated 01.03.2008, all manufacturers and marketing companies of formulations packs were advised by NPPA to ensure that the benefit of this excise duty reduction and the reduced rate of abatement is passed on to consumers through reduced Maximum Retail Price (MRP) through Guideline no. 2/2008 dated 10th March, 08. NPPA has noticed through the price list submitted by the companies that these companies are passing on the benefits of excise duty cuts to the customers. Further, NPPA is also taking similar initiative to pass on the benefit of recent excise cuts announced by the Govt. *vide* notification no. 58/2008 - CE dated 07.12.08 to the customers.

Expansion of fertilizer units

1275.SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the public sector fertilizer companies in the country are manufacturing fertilizers upto there installed capacities;

(b) if so, whether any expansion have been envisaged to overcome the shortages;

(c) if not, which companies are working below capacity and the details thereof; and

(d) he reasons for working below capacity?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) Details regarding capacity utilization of fertilizers by Central Public Sector Fertilizers Companies during 2007-08 are indicated below:-

(in '000' MT)

Name of the Company	Operational capacity		Production		Percentage Capacity Utilisation	
	Urea	Phosphatic Fertilizers	Urea	Phosphatic Fertilizers	Urea	Phosphatic Fertilizers
1	2	3	4	5	6	7
National Fertilizers Limited (NFL)	3230.7	-	3268.2	-	101.2	-
Bramaputra Valley Fertilizer Corporation Ltd. (BVFCL)	555.0	-	329.3	-	59.3	-